GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2308
ANSWERED ON:15.12.2008
ESTABLISHMENT COST OF CWC
Sai Shri Nand Kumar

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the establishment cost of Central Warehousing Corporation (CWC) has been rising over the years affecting its profitability;

(b) if so,whether any study was conducted by some specialized agency to suggest measures for cutting down its establishment cost;

(c) if so,the details and the outcome thereof; and

(d) the steps taken by the Government on the recommendations of the said agency alongwith success achieved therein?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a), (b) & (c): The establishment cost of the Central Warehousing Corporation for the past three years is given as under:

(Rs. In crores)

Year	Total Cost	Establishment Cost	% of Estt. Cost to Total Cost
2005-06	512.55	197.25	38.48%
2006-07	552.64	196.06	35.48%
2007-08	621.47	234.62	37.75%

The increase in establishment cost for the year 2007-08 is due to payment of 50% DA Merger to the employees and making provision for the Pay Revision which is due from 01.01.2006 and 01.01.2007 to the officers and staff of CWC.

No specialized agency has been engaged by CWC specifically to suggest measures for cutting down the establishment cost.The Corporation had earlier engaged M/s Tata Consultancy Services during the year 1998-99 for organizational restructuring and man power planning and their recommendations for cost reduction were implemented by the CWC.In order to reduce the establishment cost,the Corporation had introduced Voluntary retirement during the year 2002-03 and 2005-06, due to which 1586 employees had opted for VRS.The Corporation has also reduced number of construction cells from 17 to 03 as a cost reduction exercise.The Corporation has again introduced VRS for its Engineering cadre during the year 2008.Five employees of Engineering cadre opted for VRS. Besides above,the Corporation has outsourced a few non-core activities also.

(d): Does not arise,in view of reply above.